

1 for a market, which as it turns out we did, or too little or
2 not enough or bid for the wrong market, and that was
3 included in the agreement, and Mr. Breen was the person who
4 was the principal architect, as it were, the principal
5 attorney who developed that agreement.

6 So I don't think that there was a tremendous
7 concern about Romulus, but there was an overall concern, of
8 course, because the Commission hadn't yet decided what to
9 do.

10 Q Did Mr. Breen state whether or not he was
11 concerned?

12 A I think I've answered that, I believe, but let me
13 answer it again. I think that he was concerned, as we were
14 all concerned, about the process, which was no longer in our
15 hands; it was in the hands of our attorneys, in filing the
16 materials with the Commission and following through on the
17 process of withdrawing the bid formally and waiting to see
18 what happened.

19 He was concerned, as I was, about something else,
20 however.

21 Q And what was that?

22 A That it wouldn't happen again. From the time that
23 this error occurred, it had happened. It happened, and so

1 all one could do is focus on making darn sure that we could
2 implement procedures that it would never be possible to
3 happen, and I started working on that on the 24th.

4 I think the feeling from Mr. Breen, I recall him
5 saying, was this could happen once, but it can't happen
6 twice, is the phrase I remember.

7 Q It is true, is it not, that Romulus
8 Telecommunications was also under contract to receive a
9 large payment in the neighborhood of \$7 million upon PCS
10 2000 being granted licenses. Correct?

11 A It's about six-and-a-half million dollars. That's
12 right. Upon the successful granting of licenses to PCS
13 2000, a payment which was sitting in an escrow account would
14 be released to Romulus Telecommunications.

15 Q During that week of January 23rd, were there any
16 discussions with Mr. Breen whether or not any or all of that
17 payment could be in jeopardy because of this bidding error?

18 A I don't recall those conversations specifically.

19 Q At any point during that week of January 23rd did
20 Mr. Breen raise the topic with you whether or not you may
21 have misrepresented facts on your call to the FCC?

22 A Could you repeat the question? I'm sorry. I was
23 thinking about the prior question, because I think I may

1 have implied something I didn't mean to imply in the prior
2 question.

3 Q Well, if you have something to add to the prior
4 question, feel free to do so now.

5 A Well, I said I don't recall those conversations,
6 which suggests that there were conversations, and I'm not
7 implying that there were conversations. So I don't have any
8 memory.

9 Q I understood your answer.

10 A Okay. I apologize. Sorry.

11 Q During that week of January 23rd, did Mr. Breen
12 ever approach you to discuss with you whether or not you had
13 or may not have misrepresented facts with the FCC?

14 A No.

15 Q At any point subsequent to the week of January
16 23rd did Mr. Breen approach and discuss with you whether or
17 not you may or may not have misrepresented facts on your
18 call to the FCC?

19 A We had received a copy of a fax from Puerto Rico,
20 which Cynthia Hamilton had sent at that point and we then
21 discovered to the Federal Communications Commission. And
22 that fax made allegations specifically against me
23 personally, and when that fax came in, I read it, Quentin

1 read it, and we were amazed.

2 Q You say Mr. Breen was amazed?

3 A Yes, sir.

4 Q How so?

5 A He had not seen such a document. I had never seen
6 the document, and I would simply characterize his demeanor
7 as amazement.

8 Q What do you believe he was amazed at?

9 A I can't get into Mr. Breen's head to tell you what
10 I thought he was amazed by. I know I was amazed because it
11 wasn't true.

12 Q Did you tell Mr. Breen it wasn't true?

13 A I believe that we had a substantive conversation
14 with a number of people on the telephone in Mr. Breen's
15 office when I indicated that the statements were not as I
16 understood reality to be.

17 Q Were you already on this call when you first read
18 Ms. Hamilton's declaration of her statements?

19 A I think that's correct, yes, sir.

20 Q Did Mr. Breen at any point indicate that he had
21 previously spoken to Ms. Hamilton regarding any allegations
22 against you?

23 A No, sir.

1 Q Did Mr. Breen indicate that he had spoken to Ms.
2 Milstein regarding any allegations against you?

3 A No, sir.

4 Q What did Mr. Breen have to say about Ms.
5 Hamilton's statements in this phone call?

6 A I don't recall Mr. Breen saying anything about me.
7 I think Mr. Breen listened.

8 Q And you stated you and Mr. Breen were in the same
9 office during this phone call.

10 A Yes, sir.

11 Q After the phone call, did you and Mr. Breen have
12 any further discussion about Ms. Hamilton's statement?

13 A Well, I remember saying to him that it was a very
14 serious allegation, and I remember saying to him, because I
15 said this on the phone, I believe, as well, that you have to
16 be -- when an allegation of that kind is made, whether it's
17 true or not, you have to be above suspicion. It's a
18 Caesar's wife problem, and that I could not continue with
19 the company.

20 There was a general consensus and, I think, a
21 great relief of the other people that I had concluded that
22 as well, and so the conversation that I had with Mr. Breen
23 at that point was pretty much focused on how to make a

1 transition and for me to remove myself as quickly as I could
2 from the bidding process.

3 Q Did Mr. Breen indicate in any way whether or not
4 he believed Ms. Hamilton's statement?

5 A No. I don't recall there being any conversation
6 with her.

7 Q Did Mr. Breen become angry in any way?

8 A When?

9 Q Upon learning of Ms. Hamilton's statement.

10 A I wouldn't characterize his reaction as angry; I
11 would characterize it as astonishment. Mr. Breen generally
12 was not someone who would get angry. He was a very
13 thoughtful person.

14 Q Do you believe he was astonished at you or he was
15 astonished at Ms. Hamilton?

16 A I can't read his mind and tell you what he was
17 astonished at; I can only say what he looked like to me.

18 Q In the time immediately following that phone call,
19 did his demeanor change toward you?

20 A No, sir. Not that I noticed. He was very
21 sympathetic, and I remember him saying something like you
22 did the right thing to isolate yourself and remove yourself
23 from the process.

1 Q Did he indicate that he would stand by you in any
2 way?

3 A The conversation didn't come up.

4 Q Can you recall the date of this telephone
5 conversation?

6 A Either the 5th or the 6th of February, I believe.
7 Probably the 6th.

8 Q Who else was on this phone call?

9 A There was Mr. Lamoso, who was the president of
10 Unicom Corporation. There was Mr. Martinez, the chairman of
11 the board of the company. I believe both, but I'm not
12 certain of that, of our FCC counsels to PCS 2000, Michael
13 Sullivan and Larry Movshin, were on the phone, and it's
14 possible that Mr. Goldstein, Larry Goldstein -- excuse me --
15 Frank Goldstein, who was the counsel for securities matters,
16 was on the phone. There could have been other people.
17 Those are the people I think were there.

18 Q Was it after this phone call where you raised the
19 topic of distancing yourself from the process?

20 A No. I think that came up during the phone call.
21 I proceeded to go in and immediately start working on the
22 resignation letter.

23 Q How long did you and Mr. Breen talk after the

1 phone call ended, immediately after it ended?

2 A Probably five minutes, something like that, five
3 minutes.

4 Q I want to jump back to the Unicom board of
5 directors meeting on January 27th.

6 A Yes, sir.

7 THE WITNESS: Would you mind terribly if I just
8 took another 30-second break to get some more water?

9 (Whereupon, at 11:06 a.m., a brief recess was
10 taken.)

11 MR. WEBER: We were just about to talk about the
12 Unicom board of directors meeting on January 27. I'll have
13 the court reporter mark this as Easton Exhibit 3, and I'll
14 give you a moment to look through this. For the record,
15 it's an 18-page document titled "Minutes of the Meeting of
16 the Board of Directors of Unicom, January 27, 1996."

17 (Easton Exhibit 3 was marked
18 for identification.)

19 THE WITNESS: Okay.

20 BY MR. WEBER:

21 Q Okay. I'd just like to ask you first if you have
22 ever seen this document before.

23 A I don't think I've seen this document. I think I

1 saw a -- maybe it was a preliminary or a draft or something.
2 I don't recall seeing this document.

3 Q Therefore, you're not in a position to state
4 whether or not this accurately reflects what transpired at
5 that board meeting?

6 A Well, I need to read it.

7 MR. WEBER: If you would like to take the time to
8 do so, that's fine.

9 THE WITNESS: Okay. Let me take two minutes.

10 BY MR. WEBER:

11 Q Okay. Mr. Easton, I know you've only had a minute
12 to look at these, and this is from a board meeting almost
13 two years ago; but, to the best of your recollection, do
14 these minutes accurately reflect what transpired in that
15 meeting?

16 A I think the overall sense of the meeting is
17 conveyed here, yes, sir.

18 Q Was this a regularly scheduled board meeting, or
19 was this called as a special board meeting?

20 A I thought it was a regularly scheduled board
21 meeting. I think there was some meeting scheduled for that
22 Saturday. I don't know whether it was a special board
23 meeting or a regular meeting, but there was, I believe, a

1 she had resigned.

2 Q Can you recall if you informed Mr. Breen of the
3 fact that she resigned?

4 A I think it was general knowledge at that point.

5 Q Did Mr. Breen inquiry as to why she may have
6 resigned?

7 A I don't know.

8 Q Or did he ask you?

9 A For me? No.

10 Q Did he seem concerned about her resignation?

11 A I think he was annoyed or frustrated that we'd
12 have to find someone else to handle that process, and we'd
13 have to rejuggle the support staff process to manage the
14 task of entering the bids.

15 Q Did you have any discussions with Mr. Breen
16 whether or not her resignation could be related to the
17 bidding error?

18 A Yes.

19 Q And what was said about that?

20 A I told him that I thought that she seemed to be
21 under an enormous amount of pressure and tension and also
22 looked -- she looked guilty. She just had a sense about her
23 which was -- when she left, I wasn't terribly surprised. I

1 was surprised, but I was -- so I think I shared with Mr.
2 Breen my observation, my opinion.

3 Q And do you suppose that was on January 24th?

4 A Yes. It was 24th, probably, 24th, 25th, that time
5 frame.

6 Q On the 26th, while the group was in the conference
7 room, the San Mateo Group, were there discussions about how
8 the bidding error may have occurred?

9 A Not on the 26th. It wasn't that kind of a
10 meeting. I don't recall those conversations. It could have
11 been when I wasn't in the room, but I don't recall any when
12 I was present.

13 Q At any time when you were in the room did Mr.
14 Breen raise any issues regarding whether misrepresentations
15 may or may not have been made to the FCC?

16 A I think -- no, no. Certainly not that. First of
17 all, this had been turned over to our counsel, and we had
18 filed by then a withdrawal request indicating that we
19 weren't quite sure where the problem was. It certainly was
20 on our side, but various possible problems, and that just
21 wasn't a topic for discussion. It was out of our hands at
22 that point. I don't recall conversations about it.

23 MR. WEBER: I am now handing a document to the

1 court reporter to have marked as Easton Exhibit 4. It is an
2 eight-page document on the letterhead of Wilkinson, Barker,
3 Knauer & Quinn, dated January 26, 1996.

4 (Easton Exhibit 4 was marked
5 for identification.)

6 THE WITNESS: Okay.

7 BY MR. WEBER:

8 Q Is this the document you were just referring to as
9 being a request filed by the counsel?

10 A That's correct. I thought there was more to it
11 than this, but this is certainly the first part of it.

12 Q I'd like you to turn to the last two pages, the
13 first of which is titled "Declaration of Anthony T. Easton,"
14 and then on the very last page is that your signature?

15 A Yes, sir, it is.

16 Q Was Mr. Breen involved in any way in the
17 compilation of information for this filing to be made with
18 the FCC?

19 A I don't think so. I think he had general
20 conversations with Mr. Sullivan, but I wrote this
21 declaration. He didn't have anything to do with that.

22 Q I mean, for the filing as a whole, not just your
23 declaration.

1 A Well, he certainly was involved with the process.
2 He was the attorney of the two of us who was dealing with
3 legal matters, so the answer should be yes, because that's
4 what he did.

5 Q And, therefore, to your knowledge, he was aware of
6 what was in this filing?

7 A I believe that's correct, yes, sir.

8 Q During the board meeting on January 27th, were --
9 I'd like you to turn back to Easton Exhibit 3. The very
10 first paragraph lists people present at the meeting. Is
11 that a full-and-complete list of who was present at the
12 meeting?

13 A I don't remember who was present at the meeting,
14 but I would assume that this is correct.

15 Q Were all the people sitting around the table?

16 A Yes, sir, they were.

17 Q During the portion of the meeting where you were
18 discussing the bidding error, what, if anything, was Mr.
19 Breen doing?

20 A I have no idea.

21 Q Did Mr. Breen at any point during this meeting
22 refute any of the information you had conveyed to the board?

23 A Not -- the word "refute" is a fascinating word.

1 No. I conveyed information to the board, and she listened
2 to it.

3 Q To your recollection, was he paying attention
4 during that part of the board meeting?

5 A I don't recall what Mr. Breen was doing during my
6 presentation.

1 Q At any point during this board meeting did Mr.
2 Breen discuss whether or not you may or may not have
3 misrepresented facts to the FCC?

4 A There was none of that at this board meeting that
5 I know of. It wasn't -- wouldn't even come to consciousness
6 as far as I would understand.

7 Q Did Mr. Breen make any presentations during this
8 board meeting that are not reflected in the minutes?

9 A Let me spend a second with Mr. --

10 Q Certainly.

11 A No, I don't think he made any presentations to the
12 meeting. But let me look through and see if there's any.

13 Q Were there any subsequent gatherings of the board
14 of directors after January 27th but before February 5th?

15 A Not that I know of. We had that meeting and then
16 we went back to work in the offices. I don't think there
17 were any other meetings.

1 here, but I'm going to make a statement and you can tell me
2 if it is at all correct. You appear to be somewhat
3 perturbed at Mr. Breen's -- or what appears to be Mr.
4 Breen's attempt to rush through some resolutions. Is that
5 correct?

6 A I think you could say that that was correct.

7 Q Was this a -- a common way for Mr. Breen to
8 operate to move things through quickly?

9 A Sometimes yes; sometimes no.

10 Q Which would you say is the most common?

11 A It depended on the time and the place and the
12 circumstances. I don't think I could characterize it
13 further.

14 Q In dealing with the issues concerning the bidding
15 error, did Mr. Breen indicate to you in any way that all
16 time should be taken before any action is contemplated?

17 A What do you mean by all time?

18 Q Or just that -- that there should be -- all the
19 parties should wait and continue to gather facts before any
20 action is taken.

21 A This was genuinely Mr. Breen's approach to the
22 matter, to try to accumulate all the information; to review
23 the information in its entirety and then to proceed.

1 Q Was his usual operation to allow other people to
2 gather the facts and then just kind of absorb it or to
3 actually be a fact-getter himself?

4 A It depends on the particular -- the particular
5 time and place.

6 Q Involving the bidding error, did he show any
7 indication of wanting to be a fact-gatherer himself?

8 A On the bidding error process, that had been
9 resolved as far as I had thought and as far as he had
10 thought by the 26th or so of January when we submitted the
11 formal notice of withdrawal to the FCC through counsel.

12 Q Why do you say he thought it had been resolved by
13 the 26th of January?

14 A Because after that point, it didn't come up as a
15 major topic.

16 Q Can you recall any discussions with him regarding
17 the bidding error between January 26th and February 5th?

18 A I think that I was going to make a detailed
19 presentation to the board, exactly the procedures of how
20 everything works, et cetera. And they had a limited period
21 of time and Mr. Breen was always reminding me that I liked
22 to look at the trees instead of the forest. He said the
23 board of directors were only in for a few hours. I think I

EXCERPTS FROM DEPOSITION TRANSCRIPT

CYNTHIA HAMILTON
(NOVEMBER 21, 1997)

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7 Q. And what did he say?

8 A. The first thing he said was "How could you
9 let this get by you?" or "How could you let this
10 happen?" something like that. The second thing he said
11 was "Get the FCC on the phone."

12 Q. And did you, quote, get the FCC on the
13 phone?

14 A. Yes, I dialed their hotline number. I
15 listened to a woman who answered and stated that it was
16 a recorded line and said something else about the
17 recording, I believe, and then I handed the phone to
18 Terry.

19 Q. Did you overhear any of Mr. Easton's
20 conversation?

21 A. Yes, I did.

22 Q. And what did he say in that conversation?

23 A. He actually had two conversations. The
24 first one, I believe was with the woman that I heard.
25 He started yelling at her, saying that we hadn't made

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1 that bid, that it was the FCC's error, and that it had
2 to be corrected. He spoke to her for a while, and then

3 either was transferred to Louis Sagales [phonetic] with
4 the FCC, or he hung up and directly dialed back to speak
5 with him. And by the time he spoke to Louis, he was a
6 little bit more calm and wasn't so adamant, but he still
7 stated that the error was on the FCC side, that we had
8 not bid \$180 million. He stated that he had printouts
9 that he could fax to the FCC showing that we had not bid
10 \$180 million.

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16 Q. Did Mr. Easton transmit any documents to
17 the Federal Communications Commission?

18 A. I believe he directed Scott Murberger to
19 transmit documents to the FCC.

20 Q. Did you observe Mr. Murberger transmitting
21 documents to the FCC?

22 A. Yes.

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3 Q. Did you observe the papers he was faxing?

4 A. Yes.

5 Q. And what did those papers -- What were
6 those papers?

7 A. I don't know what all of the papers were,
8 but some of them were initialed papers resembling the
9 control P report, but the \$180 million bid had been
10 changed to \$18 million.

11 Q. You were specifically able to observe the
12 Norfolk bid --

13 A. Yes.

14 Q. -- as shown on that paper?

15 A. Yes.

16 Q. Did you say anything to Mr. Murberger about

17 what he was transmitting?

18 A. I think I said something about Terry

19 cooking the books and sending fake documents to the FCC.

20 Q. And did Mr. Murberger make any response?

21 A. I don't remember.

22 Q. Did you make any comment to Mr. Easton

23 about those documents that you saw Mr. Murberger

24 transmitting?

25 A. No.

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1 Q. Did you make any comment to Ms. Milstein

2 about those documents?

3 A. I believe that at some point after that and

4 before lunch, I said something about Terry sending

5 papers with the wrong bid on it, but it was a long time

6 ago. I don't remember for sure.

7 Q. What about Ms. Collins?

8 A. I know I said something to Lori at some

9 point that day.

10 Q. When you say "sometime that day," do you

11 mean in the morning, the afternoon?

12 A. Probably both, but, again, it's hard to

13 remember everything that happened that day.

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6 Q. At that -- Upon discovering that the binder
7 was gone, checking all of the office except Mr. Easton's
8 office and concluding that the binder must be in
9 Mr. Easton's office, what did you do?

10 A. I was talking to Mike Gavette and
11 complaining about my binder being gone and the bids
12 being changed on the fax information, and I remembered
13 that there were previous sheets that had been thrown in
14 the garbage can by Terry, and I spoke out loud and said
15 something about there's still copies in the garbage can.
16 And I went and retrieved those copies from my garbage
17 can and stuck them in -- just slipped them into another
18 binder on the bookcase.

19 Q. When did you next speak with Mr. Easton
20 that day?

21 A. I don't believe I talked to him until much
22 later in the day. I'm -- No. I don't know the exact
23 time. I know that before I left for lunch at
24 1:00 o'clock, he came out to my desk. Mike Gavette was
25 there with me, and Terry started looking through my

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1 trash can, asked me where the papers were that he had
2 thrown out, and he started going through every piece of
3 paper on my desk looking for them.

4 And when he asked where they were, I said
5 something like "Did you bring them back to your office"

6 just to try and get him away from my work area.

7 Q. And that was -- you asked him that question
8 when those papers were in another binder on your desk?

9 A. Yes.

10 Q. And what did -- how did Mr. Easton respond
11 to your question?

12 A. I don't remember if he responded at all.
13 He eventually left my desk area and went back to his
14 office.

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1 Q. When you left for lunch, did you take
2 anything with you?

3 A. Yes, I did.

4 Q. What was that?

5 A. I took with me the control P with Terry's
6 initials on it that were prior to the three net
7 deletions from our bid. I took a copy of the screen
8 print that was correspondent to that control P prior to
9 the three deletions, and I took a copy of some other
10 documents. I think one of them is referred to as a
11 control A or a print-all. I would need to refer to
12 notes to know exactly which ones they were.

13 Q. And what did you do with those documents?

14 A. I took them home on my lunch break.

And....

* * * * *

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2 Q. Did you do anything else on your lunch

3 break?

4 A. Yes.

* * * * *

10 Q. Did you speak to anybody else?

11 A. I called the FCC number that I had for
12 their lawyer line. I don't know who it went to. Got
13 transferred around through quite a few people, might
14 have even called several times, you know, to different
15 numbers I was given. Eventually got put through to
16 Gordon Coffman.

17 Q. That's Gordon Coffman with a "C"?

18 A. Yes. C-o-f-f-m-a-n.

19 Q. And what did you tell Mr. Coffman?

20 A. I told him that I had been present during
21 the bidding, that there had been an error and I had
22 overheard Terry telling people at the FCC that the error
23 was on the FCC's part, that we did not bid \$180 million,
24 and that I had seen fax sheets sent to the FCC that did
25 not reflect what we actually bid, documents that had

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1 been altered.

2 I don't remember what else.

3 Q. Did you have -- Did you inform Mr. Coffman
4 that you had documents reflecting bidding activity?

5 A. Yes, I did.

* * * * *

9 Q. Did you then return to the San Mateo Group